

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 1129 – SB 1266

March 14, 2014

**SUMMARY OF ORIGINAL BILL:** Authorizes teachers and administrators to use, read, or post excerpts from the United States Constitution in a public school classroom, building, or during an event. Requires each student to be taught the foundational instruments, mechanisms, and values of American government. Requires a course of such instruction to be taught in all public schools. Sets forth requirements for such courses that shall be used. Requires local education agencies (LEAs) to report to the Commissioner of Education their compliance with the content of courses as set forth in this bill. Copies of their reports shall be retained in each school for access by parents and the public.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

**SUMMARY OF AMENDMENT (013678):** Adds language to the original bill that requires the postponement of the implementation of the Partnership for Assessment of Readiness for College and Career (PARCC) assessment until July 1, 2016.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase State Expenditures - \$10,100,000/FY14-15  
\$3,939,000/FY15-16

**Other Fiscal Impact –** For FY16-17 and subsequent fiscal years, the state will decide whether to continue use of the new state assessment that will be implemented in FY15-16 or purchase the PARCC test. The cost of the PARCC test in FY16-17 is unknown. Any change in state expenditures in FY16-17 and subsequent fiscal years is unknown and is dependent upon the action taken by the state. Depending on action taken by the state, the cost of test administration in FY15-16 may be carried forward into FY16-17 and subsequent fiscal years.

It is unclear how this change will impact the state's federal Elementary and Secondary Education Act waiver and portions of the Race to the Top (RTT)

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**grant funding, a majority of which has already been received by the state. Depending on the federal Department of Education's response, the federal government may withhold future federal funding or require the state to pay back a portion of the RTT grant funding that has already been received. Any such fiscal impact cannot be reasonably quantified and is dependent upon multiple unknown factors.**

**To the extent local education agencies elect to purchase new textbooks as a result of the new state assessment prompted by passage of this bill, the one-time permissive increase in local government expenditures is reasonably estimated to exceed \$1,000,000.**

Assumptions for the bill as amended:

- No change in current state curriculum standards.
- The state would not administer the PARCC assessment in FY14-15 and FY15-16. It is unknown if the state will administer the test in FY16-17 and subsequent fiscal years.
- The state will maintain membership in other consortiums or initiatives to which the state is already a party.
- In order to comply with the state's commitments under the RTT grant and No Child Left Behind waiver, the state will develop a new test to align with existing state curriculum standards with the approval of the General Assembly. The new test will be implemented in the 2015-2016 academic year.
- Currently, the state is not spending any funds on PARCC test development. Using historical test development costs, the DOE estimates a one-time increase in state expenditures of \$10,100,000 for the development of new state assessments. This one-time state expenditure will occur in FY14-15.
- According to DOE, the state will spend an amount between \$21,000,000 and \$25,000,000 on the PARCC test administration. The exact amount is dependent upon multiple unknown factors such as the number of students who will take the PARCC test using pen and paper. However, and for the purpose of this fiscal note, it is reasonably assumed the cost to the state would be \$23,000,000.
- DOE estimates that the cost to administer new state tests that meets state standards would be approximately \$26,939,000.
- The difference between what the state is estimated to spend on the administration for PARCC assessments and the administration of a new state assessment is \$3,939,000 (\$26,939,000 - \$23,000,000). Therefore, the increase in state expenditures for administering new state assessments is estimated to be \$3,939,000 in FY15-16.
- The adoption of new state assessment may take place in conjunction with the textbook purchasing cycle. However, if the adoption of the new assessment and the textbook cycle did not happen concurrently, the state would not require local education agencies (LEAs) to purchase new textbooks. To the extent LEAs elect to purchase new textbooks as a result the new state assessment prompted by passage of this bill, the one-time permissive increase in local government expenditures is reasonably estimated to exceed \$1,000,000.

- Any increase in state expenditures or local expenditures relative to the original bill is estimated to be not significant.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

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